

“Media Ownership Further Notice of Proposed Rulemaking. Docket 06-121.”

Radio Ownership Limit

According to the FCC, the current local radio ownership limit rules reflect numerical caps set by Congress in 1996. Although these rules reflect numerical caps set by Congress in 1996, the local radio ownership limit was adopted in 1941. This being said, times change and rules must also change in order for rules to adapt to our growing societies today. With consideration of the local radio ownership limit to be under review, I feel this rule should primarily be preserved but with small change. While the caps set on the local radio ownership limit should remain the same, the previous methodology for defining a radio market did not serve the public interest. The methodology for defining a radio market should be changed for the best of the public interest.

The FCC found that the current limits on local radio ownership continue to be necessary for the good of the public interest. In order to do what is best for the public the radio cap should remain at the same levels as adopted. The cap should remain at the following levels:

- In markets with 45 or more radio stations, a company may own eight stations, only five of which may be in one class, AM or FM.
- In markets with 30-44 radio stations, a company may own seven stations, only four of which may be in one class, AM or FM.
- In markets with 15-29 radio stations, a company may own six stations, only four of which may be one class, AM or FM.
- In markets with 14 or fewer radio stations, a company may own five stations, only three of which may be one class, AM or FM.

Although there has been ongoing questions concerning the rationale for preserving these caps, mainly the Third Circuit in *Prometheus*, I feel these truly serve the best interest of the public. According to *NewsHour* with Jim Lebrer, the radio limits, or the caps set on radio stations, promote competition and viewpoint diversity. Americans today rely on television, internet, and a wide variety of outlets in addition to the radio for news. The FCC found that in order to promote competition among the local radio stations the current radio ownership limit needs to be preserved. One of the most important aspects of radio, television, and any type of media market, is

the sense of competition. This forces both small and large companies to put in the extra effort at whatever they are trying to attempt to achieve because they know there are multiple companies doing the same thing with the same mindset. According to Chairman Michael K. Powell in a review of the FCC's broadcast ownership rules, the new broadcast regulations reaffirm the longstanding commitment of promoting competition by ensuring pro-competitive market structures. Although the primary concern of antitrust analysis is ensuring economic efficiency through the operation of a competitive market structure, the commission's public interest standard brings a closer focus to the American public. With the radio ownership limit put in place, local radio stations are responsive to their local listener's styles, desires, and requests. This rule will allow for a substantial amount of independent radio voices which ultimately resorts in the promotion of viewpoint diversity among local radio owners. The widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public. This relies on the preservation of multiple independent owners resulting in an exchange of news, information, and ideas among Americans. This idea is referred to as viewpoint diversity. Not only does this rule promote competition and diversity, but it also promotes localism. Again, local radio listeners are able to voice their opinions. Powell says that promoting localism to the greatest extent possible through broadcast ownership limits that are aligned with stations' incentives to serve the needs and interests of their local communities will ultimately benefit Americans. Competition, diversity, and localism are the three strong areas that the radio ownership limit rule protects. In the end, this will benefit the public interest.

Coming from Joliet West High School, a school with much diversity, the radio ownership limit helps individuals at my school because it applies to those of all ethnicities. This will allow everyone from my high school, and high schools alike, to benefit. As stated in the Declaration of Independence, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness." I bring this up because everyone has a right to the pursuit of happiness and only allowing stations of single ethnic backgrounds and male oriented personnel to broadcast would deprive individuals not alike of that happiness. Giving minorities, women, and those ethnically diverse the right to hear the types and styles of music and news they want would only be fair and equal. The radio ownership limit will help smaller business, many of which are owned by minorities and women. America has changed over the past hundreds of years, but one right which is protected is that of equality. The radio ownership limit should be preserved.

Although the radio ownership limit must be preserved, the methodology for defining a radio market must be changed in order to serve public interest. According to Kathleen Kirby on the new ownership rules, the 1996 Telecommunications Act resulted in the substantial relaxation of many of the Commission's broadcast ownership rules triggering a period of intense consolidation, particularly in the radio industry. Resulting from this unification of many broadcast companies, Congress directed the FCC to review its media ownership rules every two years in order to determine which rules are no longer necessary in the public interest. The legislation Congress passed towards the FCC is the best means to satisfy the public while maintaining legitimate broadcasting rules. Instead of measuring radio markets by the size of the signal contour, which has been the result in the past, it will now be measured by a geographic market approach which will be assigned by Arbitron, an international media and marketing research firm. By measuring using the geographic approach, radio conglomerates will not be able to acquire more stations in most of its markets. Now, referring to companies like Clear Channel, a company that owns divisions in a variety of unrelated industries, will not be able to obtain more stations in most of its markets. The change from signal contour to the geographic approach will eliminate those large companies from continuing to increase monopolies over others and dominate the radio marketplace. The FCC said applying Arbitron's geographic markets method will better reflect the true markets in which radio stations compete. The signal contour rule, which in affect should be changed, improperly ignores the impact that noncommercial stations can have on competition for listeners in radio markets. This makes the most sense because both commercial and noncommercial stations must be counted in the market. This means that all radio stations in an Arbitron market are counted as well as stations licensed to other markets. Although they may be licensed to other markets they are considered at home to the market, just as they would be a local radio station. This allows broadcasting companies of all sizes equal rules and equal attempts to broadcast, resulting in the satisfaction of the public.

As stated earlier, radio ownership limits should be preserved but the methodology for defining a radio market should be changed. This allows smaller companies more broadcasting abilities and a more diverse market. Although this is how I feel radio broadcasting should be, there are others who disagree. According to the Heritage Foundation, the FCC ownership rules should be eliminated totally. This is because the rules were written in a different era, and don't reflect the diversity and competitiveness in today's media marketplace. And, they are likely hurting consumers, by limiting the ability of media outlets to use resources as effectively as possible. The best course would be for the FCC to eliminate the rules entirely, in which case competition would still be covered antitrust regulation, as it is for most

businesses. Although I can respect and acknowledge this idea, radio ownership rules must be changed slightly to do exactly what the Heritage Foundation wants due to the changing era. There argument is contradictory because we need rules on radio ownership because time is changing, exactly opposite of there premise that we don't need rules because time is changing. Therefore the rule change will be an important step forward for media broadcasting. Radio broadcasting limits must be preserved but the methodology for defining a market should be changed using the geographic market approach.

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